

Question 41

C-3.4(d) states "The selected offeror will be required to become the main sponsor with responsibility for management and administration of the Multiple Employer Pension Plan (MEPP) which has been developed for the site in accordance with law." To fully understand the impact of MEPP sponsorship, please provide a copy of the MEPP terms and conditions.

Response:

When the MEPP sponsor completes the plan document a copy will be made available.

Question 42

Has DOE considered the requirement to hire the existing work force with existing benefits and retirement liabilities? How can contractors develop and implement innovative approaches without challenging the status quo and existing paradigms and operations at SRS, without evaluating the required 'skill mix' to do so? Maybe a certain percentage, say 75%, would be more appropriate?

Response:

Section H. 57(A) the draft RFP states that "Subject to availability of funds, the Contractor will offer employment to all Incumbent Employees... who, as of the date of Contract award, are in good standing and who hold regular appointments and are engaged in performance of work within the scope of work under this Contract." The draft RFP also includes DEAR 970.5226-2, Workforce Restructuring under Section 3161 of the National Defense Authorization Act for FY 1993 (Dec 2000).

Question 43:

Could you provide workforce age demographics on the approximately 6000 incumbent employees that will roll into the new M&O contract?

Response:

Incumbent work force demographics will be made available on the SRS Acquisition Website Document Library.

Question 44:

As an M & O nonexempt (WSRC) employee, I am concerned if there is [sic] two separate contractors - one for M & O and a different contractor for Liquid Waste - How this effects my job & seniority? Example - if there are layoffs in my job classification within M&O, can I displace a person with less seniority in the same job classification in Liquid Waste or will I be laid off because we work for two different companies? If I were allowed to transfer to Liquid Waste, would my seniority remain intact?

Response:

The anticipated contracts for management and operation of the SRS and the Liquid Waste Program will be independent of each other. Both draft RFPs require that the successful offeror be a separate line of business formed solely for performing DOE work at Savannah River Site.

Question 45:

As referred to in the Employee Retention, Compensation and Benefits section of the RFP letter: who will determine whether or not incumbent employees are in good standing?

Response:

The status of Incumbent Employees will be determined by the new contractor when it hires its work force. The new contractor will necessarily be using information provided by the current Contractor to make such determinations in accordance with contract requirements and applicable law.

Question 46:

Will worker seniority apply across the site regardless of contract? (i.e., M&O and Liquid Waste)

Response:

See the answer to question 44.

Question 47:

Are actuarial statistics available on the site work force to assist in determining those likely to retire during the contract period? This would help in building the cost model for benefits, training, relocations, new hires, etc.

Response:

Workforce demographics and the most recent defined benefit plan actuarial valuation will be made available.

Question 48:

Is the pension plan fully funded?

Response:

No, but assets are sufficient to meet current benefit obligations.

Question 49:

Section H-14(e) (3) (C). This provision provides that severance pay is unallowable if the employees are "offered employment with a parent or affiliated company" with no limitation that the "offered" employment be for a comparable position or in the same geographic area. This provision penalizes both the contractor and the site employees if the contractor and its affiliates attempted to find alternate positions for the site workers. Further, the provision does not limit in time the "offered employment" and the severance for SRS. To remove disincentives for affiliates of the site contractor to participate in work force restructuring, DOE should replace "offered employment" with "accept employment".

Response:

Federal Acquisition Regulation 31.205-6(g)(3), prohibits the suggested change. This provision states: "Payments made in the event of employment with a replacement contractor where continuity of employment with credit for prior length of service is preserved under substantially equal conditions of employment, or continued employment by the contractor at another facility,

subsidiary, affiliate, or parent company of the contractor are not severance pay and are unallowable.”

Question 50:

Section H-14 (c), "Pay and Benefit Programs" Section (1) (B), Pension and other Benefits, states that incumbent employees will have provided continuation of existing plan or with a comparable successor pension plan. Section (2) indicates that new hires (non-incumbent employees) will be provided a "market based retirement plan".

Should not an alternative also be stated whereas incumbent employees have an option to transfer already collected pension funds out of the existing pension plan and into the market-based retirement plan? This would possibly be of greater benefit to those incumbent employees having low service time. It would also reduce the management/costs of the pension fund by reducing the number of plan participants and the funding amount needed, especially over a longer time period.

Response:

After contract award any proposal to transfer pension funds out of an existing pension plan would have to comply with applicable IRC and ERISA rules.

Question 51:

H-14, (f), (3), (B) Employee Benefits Value Study:

Will legacy retiree pensions and benefits be part of the incumbent pool for comparison purposes?

Response:

Yes, Incumbent Employees, as defined in H.14(e) of the draft RFP, and retirees both participate in the same employer-sponsored benefit plans.

Question 52:

H-14, (f), (3), (B) Employee Benefits Value Study:

Will cost studies be done in the aggregate that include both active employees and retirees?

Response:

Yes, cost studies in the aggregate are required to include both Incumbent Employees and retirees who participate in the same employer-sponsored benefit program. The draft RFP provides for Contracting Officer discretion when interpreting the results of cost studies.

Question 53:

H-14, (f), (3), (B) Employee Benefits Value Study:

Will legacy retiree pensions and benefits be subject to RV comparisons with “market based” benefit programs offered by comparator companies?

Response:

No. The draft RFP requires a separate market based benefit program for new employees.

Retirees and Incumbent Employees will remain in their existing benefit plans. The total benefit program for Incumbent Employees and the total benefit program for new employees will be measured independently; e.g., there will be two relative benefit value indexes (RBVI) calculated, an RBVI for the Incumbent Employee (including retirees) benefits and an RBVI for new employee benefits.

Question 54:

H-14, (f), (3), (B) Employee Benefits Value Study:

Assuming that "Market based" benefit programs are lower cost, will the legacy retiree plans be exempt from the 105% limit?

Response:

No.

Question 55:

H-14, (f), (3), (B) "Employee Benefits Value Study:

Will the value of retiree medical be included in the total relative value of incumbent employee benefits?

Response:

Yes.

Question 56:

H-14, (e), (1), (B), Pension and Other Benefits:

Will the improved wording changes be made so that "comparable" shall read "fully equivalent" and "comparability" shall read "full equivalency"?

Response:

No. This clause provides the contractor with the necessary flexibility to manage its workforce.

Question 57:

H-14, (e), (1), (B), Pension and Other Benefits:

Will the words "not practicable" be dropped? Will any proposed changes to the existing site specific retiree pensions and benefits plans under a new contract be first cleared through the Secretary of Energy, or the responsible HQ Manager? Will retirees be allowed to provide stakeholder input to any pending decision to alter retiree benefits?

Response:

No. See response to question 56.

Question 58:

RFP Section H-14, (e), (1), (B), subparagraph two "The Contractor shall become a sponsor of the existing pension and other benefit plans...." Are there any actions in progress to correct the discrepancy between the RFP and provisions in the current WSRC contract?

Response:

No. The draft RFP requires that incumbent employees (and retired plan participants) remain in their existing pension plans pursuant to pension plan eligibility requirements and applicable laws. The existing plans include retired and other non-active participants.

Question 59:

RFP Section H-14, (e), (1), (B), subparagraph two "The Contractor shall become a sponsor of the existing pension and other benefit plans...."

Will Contract DE-AC09-96SR18500, be changed to agree with RFP Section H-14, (e), (1), (B), subparagraph two?

Response:

No. See the answer to question 58.

Question 60:

RFP Section C-3.4, (d) Business Services

RFP Section H-14 EMPLOYEE COMPENSATION: PAY AND BENEFITS

Will the RFP be revised to provide separate explicit guidance on what bidders must include in their proposals for the "grandfathering" of?

Response:

No. See the answer to question 58.

Question 61:

H-14 EMPLOYEE COMPENSATION: PAY AND BENEFITS

Will RFP Section H-14 be changed to state very explicitly that pension and post retirement benefits for present retirees, given at the time of their retirement, will be grandfathered?

Response:

No. See the answer to question 58.

Question 62:

H-14 EMPLOYEE COMPENSATION: PAY AND BENEFITS

Why is the contractor only required to provide "equivalent pay" for only one year?

Is this to encourage or allow the contractor to cut costs by systematically reducing employee pay in subsequent years?

Response:

No. The one year provides the contractor ample time to evaluate the workforce requirements for the scope of work to be performed efficiently and consistently. No, the contract requires the Contractor to review the pay structure, benchmark compensation to the appropriate market(s), self-assess the total compensation program and annually report all of the results to DOE. As part of its oversight responsibilities, DOE reviews these annual submissions and incurred

compensation cost data to ensure that the terms and conditions of the contract are met. Changes to the total compensation program must be approved in advance by the Contracting Officer.

Question 63:

What will protect dedicated employees from predatory cost cutting practices?

Response:

The contract requires the Contractor to review the pay structure, benchmark compensation to the appropriate market(s), self-assess the total compensation program and annually report all of the results to DOE. As part of its oversight responsibilities, DOE reviews these annual submissions and incurred compensation cost data to ensure that the terms and conditions of the contract are met. Changes to the total compensation program must be approved in advance by the Contracting Officer.

Question 64:

In Section H, page 9, the draft says that the Contractor shall provide a total package of benefits to incumbent employees comparable to that provided by WSRC. In February of last year the Los Alamos Source Evaluation Board, in response to many concerns regarding the ability to determine comparability, announced that they were changing their RFP from using this same language to “the contractor shall provide a total compensation package for all [incumbent] employees with respect to salaries, health/welfare benefits, pensions substantially equivalent to that provided by the predecessor contractor. The term substantially equivalent is also being used in the current Livermore procurement. Why is SR choosing to revert to the language found to be unacceptable in other current and recent contract solicitations? I request that the SR RFP be revised to use the more specific language.

Response:

Each DOE site has different recruitment and retention needs. This clause provides the contractor with the necessary flexibility to manage its workforce.

Question 65:

Establishing a split compensation system with existing employees grandfathered into a benefit plan not available to future employees does not seem to be an appropriate action. I am unable to understand how this will not run afoul of legal requirements for equal pay (equal total compensation) for equal work

Response:

There are no ‘equal pay for equal work’ concerns with split benefit systems which are already common in the private sector. Prospective employees are put on notice of the applicable compensation package prior to accepting employment. What is not legally permissible is to discriminate on the basis of invidious classifications of employees in determining compensation.

Question 66:

Why is the DOE allowing two different benefit packages, one for incumbents and one for new hires? Will this not result in two classes of employees at the site? May this cause unnecessary animosity between the classes of employees?

Response:

The Department has been requiring market-based packages for new employees since approximately 2004. Prospective employees will be made aware of their compensation packages prior to accepting employment.

Question 67:

Will the winning contractor have carte blanche to cut the pay of incumbent employees after the first year?"

Response:

No, the contract requires the Contractor to review the pay structure, benchmark compensation to the appropriate market(s), self-assess the total compensation program and annually report all of the results to DOE. As part of its oversight responsibilities, DOE reviews these annual submissions and incurred compensation cost data to ensure that the terms and conditions of the contract are met. Changes to the total compensation program must be approved in advance by the Contracting Officer.

Question 68:

Will the contractor be required to maintain medical and pensions for Cold War retired employees and for Severable Work Scope employees? These people have served the country and DOE well and these critical commitments should not be cut from these people.

Response:

The draft RFP requires that incumbent employees (and retired plan participants) remain in their existing pension plans pursuant to pension plan eligibility requirements and applicable laws. The existing plans include retired and other non-active participants. The draft RFP also includes DEAR 970.5226-2, Workforce Restructuring under Section 3161 of the national Defense Authorization Act for FY 1993 (Dec 2000).

Question 69:

ON-CALL PAY section lacking for SRS DRAFT RFP: In the Los Alamos RFP, # DE-RP52-05NA25396, Appendix A, Page 6, Paragraph (f) reads that Exempt employees assigned to on-call duty are paid \$80.00 for each 24 hour period. Can a similar section be added to the SRS DRAFT RFP? Why or why not?

Response:

The "On-Call Pay" will be administered in accordance with the current policy and procedure. SRS currently has an outstanding Emergency Response Organization without the need for on-call pay. Adding additional cost to this program is not supported.